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## **GENERAL INFORMATION**

**PURPOSE:** This manual is designed to establish department policies and procedures to ensure a uniform approach to improving procurement effectiveness. Further, it identifies DDSN officials who are authorized to procure property and services needed to conduct state business.

**INTRODUCTION:** This manual is based on SC Code of Laws, Title 11, Chapter 35, the South Carolina Consolidated Procurement Code, and SC Code of Regulations, Chapter 19, Article 4. The provisions of this manual are intended to be consistent with statutory authority and the rules and regulations of the State Budget and Control Board. Any inconsistency or omission should be brought to the attention of the DDSN Associate State Director, Administration. In some instances DDSN policies may be more restrictive than those of state law and regulations. In such instances DDSN employees shall adhere to the more restrictive department requirement.

## **STATUTORY AUTHORITY, MANDATE, GOVERNING BODY AND ADMINISTRATION:**

- A. The South Carolina Department of Disabilities and Special Needs was created in 1993 by Act No. 181. DDSN has authority over all of the state's services and programs for the treatment and training of persons with mental retardation, related disabilities, autism, traumatic brain injury and spinal cord injury.
- B. Primary responsibilities include planning, development and provision of a full range of services for eligible children and adults, ensuring that all services and supports provided meet or exceed acceptable standards, and improve the quality of services and efficiency of operations. The department advocates for people with severe lifelong disabilities both as a group and as individuals, coordinates services with other agencies and promotes and implements prevention activities to reduce the occurrence of both primary and secondary disabilities.
- C. DDSN is governed by a seven-member commission appointed by the Governor with the advice and consent of the Senate. A commission member is appointed from each of the state's six Congressional districts, and one member is appointed from the state at-large. The commission is the agency's governing body and provides general policy direction and guidance.

- D. The State Director is the agency's chief executive and has jurisdiction over the central administrative office located in Columbia, SC, five regional centers and all services provided through contracts with local agencies.
- E. The State is divided into two districts for administrative and programmatic purposes. Services within each district are supervised by a District Director. DDSN provides 24-hour residential care for individuals with more complex, severe disabilities in regional centers, located in Columbia, Clinton, Florence, Hartsville, and Summerville. DDSN directly oversees the operations of these facilities, each of which is managed by a facility administrator.

**PROCUREMENT REQUIREMENTS FOR LOCAL DDSN BOARDS: To access board procurement requirements go to DDSN website at [www.state.sc.us/ddsn](http://www.state.sc.us/ddsn).**

## **CHAPTER 2. PROCUREMENT ORGANIZATION RESPONSIBILITY AND AUTHORITY**

**GENERAL:** Acting for the State Director, the Associate State Director, Administration is charged with overall responsibility for all Fiscal Management and Administration Services, including procurement activities. His authorized procurement designees for each type of procurement are as follows:

- General Supplies, Equipment and Services - The Director, Procurement Services.
- Construction and Renovation - The Director of Engineering and Planning.
- Information Technology - The Director, Information Resource Management.
- Consultant Services - The Director, Human Resources and Legal Services

Policies and procedures with respect to procurement functions and the related support activities stemming therefrom are established and directed by the Associate State Director, Administration. The enforcement of these policies and procedures is the responsibility of the directors listed above. Each director, in his respective procurement or management area, is responsible for ensuring adherence to the provisions of this manual.

**CENTRAL OFFICE/ DIVISION PROCUREMENT:** Director, Procurement Services has the responsibility to oversee the following functions at the regional centers. Day-to-Day management and employee supervision is maintained at the regional level: Procurement Services, Fixed Assets, Vehicle Management, Nutrition Services, Mail Services, Laundry Services, Housekeeping Services, Ground Maintenance, Regional Inventories, Drug & Alcohol Testing for CDL Drivers, Surplus Property, Contract Administration, Copier Management, SCEMIS (State Fleet) Coordinator, Building Card Access System, USDA Program, Recycle Program, Building Maintenance & Services, State Contracts, Works P-Card Payment, and Gas Card Security. Facility Administrators are responsible for procurement, maintenance, supply and related logistical support at their respective centers in accordance with the concepts and purchasing limitations set forth in this manual. Facility Administrators may delegate that authority. Each center will have a counterpart for each procurement category listed in paragraph 1, above.

**PURCHASING ETHICS:** The department recognizes that each of its purchasing officials serves in a unique capacity, one that requires strict adherence to purchasing ethics, state law and regulations emanating therefrom. As a condition of continued



employment and as a guide to required qualifications and personal conduct, each person employed in a DDSN purchasing office and his or her supervisor is required to be knowledgeable of the state ethics laws and the department's rules of conduct. All DDSN personnel engaged in procurement activities are required to be knowledgeable of the following state laws and departmental rules.

**A. Section 8-13-410. Use of official position or office for financial gain.**

1. No public official or public employee shall use his official position or office to obtain financial gain for himself.
2. No public official or public employee shall participate directly or indirectly in a procurement when he has knowledge or notice that:
  - a) He or any business with which he is associated has a financial interest pertaining to the procurement.
  - b) Any other person, business, or organization with whom he or a member of his household is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
3. Where a public official or public employee or any member of his household holds a financial interest in a blind trust, he shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest, provided that disclosure or the existence of the blind trust has been made to the appropriate supervisory office.

**B. Section 8-13-420. Giving or offering compensation to influence action of public official or employee.**

1. Whoever gives or offers to any public official or public employee any compensation including a promise of future employment to influence his action,

vote, opinion or judgment as a public official or public employee or such public official solicits or accepts such compensation to influence his action, vote, opinion or judgment shall be subject to the punishment as provided by Section 16-9-210 and 16-9-220. The provisions of this section shall not apply to political contributions unless such contributions are conditioned upon the performance of specific actions of the person accepting such contributions nor shall they prohibit a parent, grandparent or relative from making a gift to a child, grandchild, or other close relative for love and affection except as hereinafter provided.

**C. Section 8-13-440. Use or disclosure of confidential information for financial gain.**

1. No public official or public employee shall use or disclose confidential information gained in the course of or by reason of his official position or activities in any way that would result in financial gain for himself or for any other person.

**D. Section 8-13-460. Action to be taken by public official or employee where a decision would affect his financial interest.**

1. Any public official or public employee who, in the discharge of his official duties, would be required to take action or make a decision which in his opinion would substantially affect directly his personal financial interest or those of a member of his household, or a business with which he is associated, shall instead take the following actions:
  - a) Prepare a written statement describing the matter requiring action or decisions, and the nature of his potential conflict of interest with respect to such action or decision;
  - b) If he is a legislator, he shall deliver a copy of such statement to the presiding officer of his legislative branch. The presiding officer if requested by the

legislator shall cause such statement to be printed in the journal and, upon request, shall excuse a legislator from votes, deliberations, and other action on the matter on which a potential conflict exists, provided, however, any statement delivered within twenty-four hours after the action or decisions shall be deemed to be in compliance with this section.

- c) If he is not a legislator, he shall furnish a copy to his superior, if any, who shall assign the matter to another employee who does not have a potential conflict of interest. If he has no immediate superior, he shall take such steps as the State Ethics Commission shall prescribe through rules or regulations to remove himself from influence over actions and decisions on the matter on which the potential conflict exists.

**E. Section 8-13-500. Breaches of ethical standards.**

1. Except as may be permitted by regulations of the State Ethics Commission, it shall be a breach of ethical standards for any public employee or public official who is participating directly in the procurement process to resign and accept employment with any person contracting with the governmental body with whom the public employee or public official is associated.
2. No person shall use a former public employee or public official knowingly to act as a principal or as an agent for anyone other than the State or other governmental entity with whom he was associated in connection with any judicial or other proceeding, application, request for a ruling, or other determination, contract, claim or charge or controversy in which the public employee or public official participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while such a public employee or public official where the State or governmental entity is a party or has a direct and substantial interest.

3. It shall be a breach of ethical standards for a business, in which a public employee or public official has a financial interest, knowingly to act as a principal or as an agent for anyone other than the State or other governmental entity with which he is associated in connection with any contract, claim or controversy, or any judicial proceeding in which the public employee or public official either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which the subject of the official's or employee's official responsibility, where the State or governmental entity is a party or has a direct and substantial interest.

## **CHAPTER 3. GENERAL SUPPLIES, EQUIPMENT AND SERVICES**

**REGIONAL PROCUREMENT:** At each regional center the Procurement Official is responsible for the acquisition of general supplies, equipment, and services as delineated herein. The procurement official should seek help for competition beyond their scope of expertise, attend training whenever possible, use central office and MMO for resources, and attempt to purchase from certified minorities.

**PROCUREMENT METHODS:** The methods used to acquire goods and services are as follows:

**Open market (small purchases):** Contracts \$2500.00 or less require no competition.

**Competitive Sealed Bidding:** Contracts greater than fifty thousand dollars must be awarded by competitive sealed bidding except as otherwise provided in Section 11-35-1510.

**Request for Qualification -** Prior to soliciting bids, the procuring agency, acting through the authorized Central Office procurement official, may issue a request for qualification from prospective bidders. A minimum description of the goods and services to be solicited will be identified and the request shall require information concerning the prospective bidder's ability to provide the goods and services being sought. Bids will be solicited from at least the top two (2) prospective bidders by means of ranking responses from most to least qualified.

**Competitive fixed price bidding:** The purpose of fixed price bidding is to provide multiple sources of supply for specific services, supplies, or information technology based on a preset maximum price which the State will pay for such services, supplies, or information technology.

**Competitive best value bidding:** The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific supplies, services, or information technology based on pre-determined criteria identified by the State.

**Competitive on-line bidding:** When a purchasing agency determines that on-line bidding is more advantageous than other procurement methods provided by this code, a contract may be entered into by competitive on-line bidding, subject to the provisions of Section 11-35-1520 and the ensuing regulations, unless otherwise provided in this section.

**Competitive sealed proposals:** If a purchasing agency determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the State, a contract may be entered into by competitive sealed proposals.

**Sole Source Procurements:** A sole source item is a commodity or service that performs a certain function which no other known item will perform, and the item is available from only one supplier. When a unique buy requirement, other than in emergency situations, can be met by only one supplier, the Chief Procurement Office, Agency Head or his designee of either

official above the level of the procurement officer shall obtain a written determination on MMO Form #102 stating that the item or service is available from only one source. The determination shall cover a single procurement unless a duration period is specified. The determination shall include the reason(s) the item is unique and why it is obtainable only from a single source. If applicable, the basis for the period of time the determination will remain in effect will be described. Note: On all Sole Source Procurements in excess of \$50,000, a Drug Free Workplace Affidavit must be obtained prior to issuance of purchase order and become part of the official record. One copy of the determination shall be filed with the division purchase order file copy. An information copy of the determination and the purchase order shall be forwarded to DDSN Director, Procurement Services. Also, a quarterly report on MMO Form #100 must be submitted to the Director, Procurement Services, who will prepare a consolidated record of sole source contracts made by the department for supplies, equipment and services. Since orders under \$2500.00 are considered as a small order, they are not to be reported on your quarterly MMO Report #100. Non-Resident Tax Withholding Affidavit required for sole sources in excess of \$10,000.

**Emergency Procurements:** Direct procurement of goods or services is authorized to meet needs that require immediate action to alleviate threats to the public health, welfare or safety. The requirements for obtaining quotations or securing bids is waived to the extent necessary to reasonably assure that delivery of goods or services can meet the emergency need.

1. Only the Chief Procurement Officer, Agency Head or his designee (Associate State Director, Administration) may make or authorize an emergency procurement. As a result, the regional procurement officer will request an emergency procurement and the Director of Procurement Services will ensure all provisions of the code are followed prior to contacting a vendor. A report shall be prepared by the regional procurement officer and sent to Central Office for forwarding to MMO in the record of emergency contracts.
2. If the emergency procurement was made by a person without procurement authority, his or her action must be approved by one of the following:
  - a) The Facility Director or his designee (above the level of the division purchasing official) when the contract value is \$2,500.00 or less.
  - b) The Associate State Director, Administration for contract value above \$2,500.00.

**Request for Proposals (RFP) 11-35-1530): When determined in writing acting through the authorized Central Office procurement official, this method of procurement will be utilized in accordance with the RFP procedures set forth and revised under Section 11-35-1530 of the 2007 S.C. Consolidated Procurement Code.**

**Direct Expenditure Voucher (DEV): The purpose of the direct expenditure voucher is to allow for payment of selected expenditures without the issue of a DDSN purchase order and the submission of a formal receiving report. A DEV will not be encumbered against the regional budget but will be a direct expenditure against the appropriate line budget as classified on the DEV.**

**1. The following rules will apply when using a direct expenditure voucher:**

- The regional center finance section is the only approved section to process DEV for payment.
- Funds must be available in the regional budget prior to submission for payment.
- An approved DEV document must be attached to each invoice and submitted to the central office accounts payable section for payment.

**2. The following categories have been approved for Direct Expenditure Vouchers (as per Finance Manual issue date 2/28/97)**

- Employee Travel Vouchers (Form AO-3)
- Utility Bills (Heat, Light, Water, Telephone Bills)
- Oil Company Credit Card Charges
- Petty Cash Reimbursements
- U.S. Post Office Rentals
- Freight and Express Bills
- Medical Services (excluding contracts)
- Books and Magazines up to \$30.00
- Employee Reimbursements of Damage Done to Personal Property By Residents
- Dual Employment
- Employee Benefits (fringes)
- One Time Payments from Family Support/Supervised Living Funds
- Work Activities Payroll
- Refund of Revenues

- Commercial Drivers License Reimbursements (Special Form Required)
- Legal Fees
- Community Contract Settlements and One-Time Payments
- Cellular telephone and pager bills

**Note:** Additional items cannot be added without approval from the Director of Finance.

**Auction or sale from bankruptcy: A governmental body having knowledge of either an auction or sale of supplies from a bankruptcy may elect to participate.**

**Note:** Bids, quotes, and proposals including any amendments or modification should be kept secure until opening.

**Acceptance and Award: Formal Tab and Award Sheets and Statement of Award notices need not be prepared on competitive procurements that use the quotation method of source selection (acquisitions under \$50,000). However, written justification is required (as part of the procurement record) for rejection of each quote that is lower in price than the quote selected for award. In general, an award is made by issuing a DDSN Purchase Order to a responsive and responsible firm or person whose quotation is the lowest priced offer that meets the requirements stated by the division procurement official.**

Prior to posting award (11-35-1520(10)), agency may negotiate with the lowest responsive and responsible bidder to lower his price within the scope of the invitation for bid.



**Award Statements- A *Statement of Award* must be issued on all sealed bids, regardless of the dollar award. However, any awards \$50,000.00 or less is not subject to protest per 11-35-1550. An *Intent to Award* must be issued and mailed to all responding bidders on all awards with a potential value in excess of \$100,000.00 or more. Effective date of award as stated in document effective the 10th day from date of award. A copy of either award statement will be made available for public review at a location as stated in bid.**

**Public Access to Procurement Information (11-35-410): Procurement information shall be a public record to the extent as required by Chapter 4 of Title 30 (of the Freedom of Information Act) with the exception that commercial or financial information obtained in response to a Request for Proposal or any type of bid solicitation which is privileged and confidential need not be disclosed. Thereafter, DDSN purchasing officials may reveal such information to anyone who makes a request to the solicitation and who request the information in writing, accompanied by self addressed stamped envelope. Information provided will be limited to the name of the firm or person awarded the contract, the total dollar amount, number of units purchased, and reason(s) for rejecting any quotations of a lower dollar amount. Information related to competitive procurement using the quotation system, as opposed to formal sealed bids, is not considered to be public information and will be released only as described herein and as directed by higher procurement authority.**

Procurements which exceed DDSN's Certification limits will be sent to State Procurement via online requisition. A copy of The State Purchasing Requisition will become part of the Procurement Permanent File. DDSN personnel, including purchasing officials, shall not contact vendors nor supply information to prospective bidders for items or services being procured by state buyers unless expressly authorized to do so by the state buyer or higher authority within Materials Management Office.

## **TYPES OF COMMODITIES:**

- 1. Vehicles:** All requests to lease vehicles will be on a DDSN Purchasing Requisition that contains budget codes and a completed Fleet Management form 6-77. The 6-77 will be signed by the Director, Procurement Services.
- 2. Goods and Services:** The acquisition of equipment for any Permanent Improvement Project (PIP) is determined by DDSN Engineering Department. Purchasing Requisitions

and/or Purchase Orders shall be prepared for the signature of the Director, Procurement Services.

### **C. PREFERENCES AND AFFIDAVITS:**

**The following preferences are currently applicable.**

- 1. Resident Vendor Preference (RVP)-7%:-** South Carolina Resident Vendor Preference: A vendor is considered to be a resident of this state if the vendor maintains an office in the state. In addition, authorized to transact business within the state, b), c) maintains an inventory of expendable items which are representative of the general type of commodities on which the bid is submitted and located in South Carolina at the time of the bid and having a total value of \$10,000 or more on the bid price , but not exceed the amount of the contract or is a manufacturer which is headquartered and has at least a \$10 million payroll in South Carolina and the product is made or processed from raw materials into finished end product by such manufacturer or an affiliate (per section 1563 of IRS code) and d) has paid all assessed taxes.

An additional three percent preference is given to a qualified resident vendor when a product is made, manufactured or grown in South Carolina.

**\*\* does not apply to solicitations, bids, offers or procurements where contract awards are more than \$30,000.00 and less than \$10,000.00.**

- 2. Recycled Product (RCP)-7.5%:-**Apply preference for any dollar **but only** on those items which the Division of General Services' Materials Management Office has developed recycle content standards. Award will be made to the lowest responsive and responsible bidder/offeror of the recycled product or material, unless the items:

- Are not available within a reasonable period of time;
- Fail to meet the performance standards set forth in the applicable specifications; or

- Are only available at a price which exceeds the price of alternate (virgin) items by more than seven and one half percent (7.5%).

#### **APPLICATION SUMMARY:**

**Bidders claiming either RVP or SCEP- apply 7% against all bidders who did not request (claim) either RVP or SCEP**

**Bidders claiming both RVP and SCEP- apply 10% against all bidders who did not request (claim) either RVP or SCEP**

**Bidders claiming both RVP and USEP- apply 9% against all products which can be identified as being manufactured or grown in a foreign company; 7% against bidders only claiming USEP; 2% bidders only claiming RVP.**

**Bidders claiming USEP- apply 2% against all products which can be identified as being made or grown in a foreign company.**

#### **PROCUREMENT AFFIDAVITS: Currently the two affidavits identified below are required when applicable to value of award:**

- 1. Non-Resident Tax Withholding Affidavit:** As noted in the affidavit's instruction information, this form must be completed by out of state vendors who receive an award in excess of \$10,000 during a calendar year. Failure to receive a completed affidavit will result in a specified percentage being withheld from payment until such time affidavit is received by agency.
- 2. Drug Free Workplace Affidavit:** As noted on the affidavit, successful vendor must attest compliance with the requirements of the affidavit for all purchases \$50,000 or more.

**Note: Both affidavits apply to sole source and emergency procurements and must become a part of the procurement record for each transaction.**

**COMPETITION THRESHOLDS: Purchases \$2,500.00 and under require no competition. Procurement official must annotate the requisition that the price is fair and reasonable and**

sign. Purchases \$2,500.00 to \$10,000.00 are obtained by verbal solicitation of three (3) written quotes. Splitting of orders as a means of avoiding this limitation is expressly forbidden and violators and those directing such evasion will be subject to administrative disciplinary action. The procurement of term contract items, exempted items and emergency procurements as defined in the Procurement Code, regulations of the State Budget and Control Board and this manual is not subject to purchasing limits. Quotes should be on company letterhead and the product being solicited. A no response is considered a quote. Purchases \$10,000.00 to \$50,000.00 require a written solicitation and the responses must be written. Centers may elect to make these purchases but must send a copy of written RFQ to Central Office for approval prior to advertising. This threshold also requires SCBO or some type of electronic advertisement. Purchases \$50,000.00 and up require a formal solicitation using the sealed bid method and procedure.

**AGENCY AUTHORIZATION LIMITS:** The agency has a certification in the following areas: Pharmaceutical Drugs, Pharmaceutical Services, Goods and Services, Consultant Services, Information Technology, Construction Contract Award, Construction Contract Change Order and Architect/Engineering Contract Amendment. The certificate that lists the amounts of certification is in the appendix as item R.

## **CHAPTER 4. CHAPTER 3: GENERAL SUPPLIES, EQUIPMENT & SERVICES (CONT'D)**

### **G. TYPES AND FORMS OF CONTRACTS (11-35-2010):**

1) Types of Contracts: Subject To limits set forth in Section 11-35-210, any type contract which will promote the best interests of the State may be used, except the use of a cost-plus contract which requires the approval of the Office of General Services. A cost-plus-a-percentage- of cost contract shall be used only when a determination sufficient for external audit is prepared showing that such contract is likely to be less costly to the State or that it is impracticable to obtain the supplies, services or construction required except under such contract 2) Contract Forms: A governmental body may enter into a contract or agreement without using the form promulgated by the (B&C) Board when the contract or agreement is for the rental of equipment valued at the thousand dollars or less and the duration of the contract or agreement does not exceed ninety days.

**H. TERM CONTRACTS:** Direct procurement of items on term contracts established by Materials Management Office shall be accomplished by issuance of a properly authenticated DDSN Purchase Order. No dollar limits apply except those imposed by regional management. Purchase orders for basic equipment for PIP's shall be prepared for the signature of the Director, Procurement Services or his designee. Request for drugs on state or DDSN contracts shall be initiated by the regional Medical Doctor for the signature of the regional purchasing agent. Authority to purchase equipment, supplies or services from sources other than those listed in the term contract book must be obtained from Materials Management Office unless an emergency condition creates an immediate need.

**I. MULTI TERM CONTRACTS:** (11-35-2030(4)) - The maximum time for any multi term contract is five (5) years. Contract terms up to seven (7) years may be approved by the Office of General Services. Contracts exceeding Seven (7) years must be approved by the Budget and Control Board. Written justification for contracts in excess of five (5) years must be submitted in writing to the DDSN Director, Procurement Services for approval.

**J. PRICE INCREASES:** Price increases must be approved by MMO if it is a MMO contract. Any price increase must be approved in advance. Price increases are generally applied by consumer price index.

**K. UNAUTHORIZED PROCUREMENTS:**

1. Except in emergencies, no person may obligate the department without the requisite authority to do so.
2. Division procurement officials are prohibited from ratifying the unauthorized act of an employee who purchases or obligates the department to a purchase.
3. The Agency State Director has delegated the responsibility of ratifying all unauthorized purchases to the Associate State Director, Administration.
4. In either case referred to in the preceding paragraph, a written report shall be prepared for the signature of the Associate State Director, Administration on the facts and circumstances, corrective action taken to prevent recurrence, action taken against the individual committing the unauthorized purchasing act, and documentation concerning whether or not the price paid was fair and reasonable.

**L. BLANKET PURCHASE AGREEMENTS:** Blanket purchase agreements or purchase orders were discontinued October 1, 1987. A new system "Limited Purchase Order" was implemented October 1, 1987 to replace the old blanket system.

**M. LIMITED PURCHASE ORDERS:** The limited purchase order is designed to allow approved program directors to make small purchase transactions up to \$500 without the use of the regional

procurement office. Thus the proper use of this system will facilitate decreased paperwork and expedite the purchase of small purchases.

**1. POLICIES:**

- a) The limited purchase order is limited to a maximum of \$500 which will include all taxes, delivery charges, and installation charges.
- b) Program administrators may obtain the authority to use the limited purchase order system upon written application to the administrator, services support. The program administrator or his designee will be granted the authority to approve small purchases. However, if the program administrator delegates this authority to a service director, the accountability remains the responsibility of the program director.
- c) The administrator, services support has the authority to deny the use of the limited purchase order system to any program administrator.
- d) The administrator, services support has the authority to revoke the use of the limited purchase order system at any time when he determines that the program administrator has violated any policies and procedures as related to the limited purchase order system.
- e) The administrator, services support has the authority to recall all limited purchase orders at any time he feels it necessary, due to budget restraints, etc.
- f) The following types of purchase transactions are prohibited for use on the limited purchase order.
  - Federal Funds
  - Books (0618 Object Code)
  - State contract items unless purchased from a state contract vendor

- Items which have been approved for payment using the Direct Expenditure Voucher

g) Splitting of orders so the amount purchased does not exceed \$500 is prohibited.

2. **APPLICATION APPROVAL:** The program administrator must request, complete, and submit the limited purchase order application to the regional center administrator of services support for approval. All three copies will be forwarded and once approved the administrator of services support will forward one copy to the regional purchasing office, return one copy to the requester, and maintain the original in a file located within his office. Applications only expire when the privilege to use is revoked by the administrator, services support or upon the requester's termination of employment.

**Note:** Limited purchase order applications are available from the regional purchasing office.

3. **LPO TRAINING, ISSUE OF LPO AND LPO MONITORING:** The regional purchasing office is delegated the responsibility to train all approved users in the proper use of the LPO system. Once purchasing has trained the approved program administrators, purchasing will issue a block of LPO's for use by that program.

With the original issue of LPO's and for each issue thereafter, purchasing will record each block of LPO numbers in their purchase order log book.

Purchasing will monitor the use of LPO's for possible abuse. If abuse is noted, purchasing will notify the services support administrator for action which could result in the termination of the use of LPO's by that program administrator. Purchasing will also conduct a periodic audit of the unused LPO's for missing numbers, voided LPO's, etc.

Limited purchase orders will be issued in one lot of 50 each or quantity designated by program administrator.

4. **LOCAL PURCHASES:** After the LPO has been completed and approved by the program director, the program director or his designee will make arrangements for the merchandise to be picked up from the local vendor's place of business in accordance with the

information recorded on the LPO. If the cost of the merchandise is not known at the time of pick up then the actual cost must be entered at the time of purchase or immediately upon return to the region.

Immediately upon return to the regional center, the person who picked up the required merchandise must take the following action:

- Supervisory personnel other than the requester or the person who picked up the merchandise must verify receipt of goods by signing and dating all copies of the limited purchase order.
- The program administrator or his designee will forward all copies of the LPO (green, yellow, and pink) along with all other documentation such as vendor invoice, vendor packing slip, etc. to the receipt coordinator located within the regional center finance section.

5. **MAIL ORDER PURCHASES:** The administrator of services support has the authority to restrict mail order purchases at his discretion. If mail order purchases are allowed the following procedures will apply:

- a) The program administrator will forward all copies of the limited purchase order to the regional finance section for proper account coding. Once the LPO has been coded by the regional finance section, all copies will be forwarded to purchasing for distribution.
- b) Receiving procedures for mail order purchases will be the same procedures established for all other regional purchases.

6. **REGIONAL FINANCE:** The program administrator will forward the appropriate LPO copies along with all other documentation as noted in paragraphs D and E to the regional finance section for the following action:

#### **Local purchases**



- a) Check for approved program administrators signature
- b) Code the appropriate 21 digit account classification code
- c) Check for appropriate documentation such as receiving information, vendor invoice, vendor packing slip, etc.
- d) Sign coder signature line
- e) Make distribution of the LPO's:
  - Purchasing Copy-forward to the regional purchasing department to be encumbered
  - Receiving Copy-forward the receiving copy to the regional center receiving coordinator for filing
  - Accounts Payable Copy-forward the accounts payable copy along with all documentation to the central office accounts payable section

7. **LPO ENCUMBRANCES:** The regional center purchasing section will encumber each LPO within 24 hours of receipt of the purchasing copy. If the LPO cannot be encumbered due to insufficient funds, coding errors, etc., then purchasing must contact the regional finance section for corrective action. If the account classification must be changed and the accounts payable copy has been mailed to the central office accounts payable section it will be the responsibility of the regional purchasing office to issue a change order correcting the account classification code.

N. **PROCUREMENT CARD ACQUISITIONS:** A Procurement Credit Card (P-Card) will be for small purchases under \$2,500. Limits on P-Cards will be automatically set at \$500.00. Higher limits may be requested by Facility Administrators. The design and use of the credit card will be along the same lines as a Visa or MasterCard. Approved individuals will be issued a card in their name and will be responsible for following applicable purchasing procedures including the receipt

of items purchased. Receipt of the items purchased must be properly processed to designated personnel to insure proper reporting and payment of invoices. Invoices will be forwarded to the agency on a monthly basis and paid accordingly.

Recipient of card will be held accountable and personally responsible for following all procedures related to the authorization, purchase and receipt of items purchased using the card. The Program Coordinator will ensure regional training is conducted in P-Card use for complete instructions on procurement card use refer to purchasing card program policy and card holders guide.

**3. PURCHASE ORDER REGISTERS:** Each Regional Center and the Central Office shall maintain a register of all Purchase Orders issued to vendors. This register shall include the following information:

- Number assigned to the Purchase Order.
- Issue date of the Purchase Order.
- Name of vendor.
- Total dollar value of the purchase order at time of issue.

Division purchasing offices also should maintain Purchasing Requisition registers to include information similar to that entered on Purchase Order Registers.

**4. EXEMPTED ITEMS:** Exempted items are those items that may be procured directly by regional procurement officials as set forth in the State Consolidated Procurement Code. To the extent practicable, DDSN purchasing officials shall use competitive procurement techniques in acquiring these items for current exemption list.

**5. PRISON INDUSTRIES EXEMPTION:** Any procurement made from Prison Industries will be considered to be exempt from the code. The exemption allows any governmental body to make procurements directly from Prison Industries within the Provisions listed below.

- the products offered by Prison Industries meet the agency's needs as defined by the specifications of the procurement,
- Required agency delivery time frame can be met,

- The quality of the products being sought can be met,
- The item must be compatible to match existing items.

Some items offered by Prison Industries are under state term contract. Purchase may be made either from state contract or under exemption status dependent upon which type purchase is most cost advantageous.

When applicable, if procurement is not made from Prison Industries, written documentation should be made and affixed to request as to why Prison Industries was not selected for procurement.

**6. LEASE, LEASE/PURCHASE, INSTALLMENT PURCHASE OR RENTAL AGREEMENTS:** All

lease, lease/purchase, installment purchase or rental agreements require written justification prior to entering a contract. The S.C. Consolidated Procurement Code allows a governmental body to enter into a contract or agreement without using the S.C. Standard Equipment Agreement (form No. 80-SC-EL-1) when the contract or agreement is for the rental of equipment valued at fifteen thousand dollars or less and the duration of the contract or agreement does not exceed ninety days. The use of this form is mandatory and modifications are not authorized unless approved by the Director of the Division of General Services or his designee. Written justification by the Regional Purchasing and Supply Manager that supports this method of acquisition as either necessary under the circumstances or as more advantageous to the state than an outright purchase; Certification by the Regional Chief Purchasing Official and Supply Manager that at least three qualified sources were solicited. Installment purchases shall be made only through the Division of General Services. A completed purchasing requisition, accompanied by a justification for the method of payment, shall be forwarded to the Director, Procurement Services. Any interest rate applicable to a lease/purchase or installment sale contract must be explicitly stated.

**7. PRINTING SERVICES:** All requests for printing services will be reviewed by Regional procurement staff to determine if purchase will be made via the S.C. Department of Corrections (SCDC) or by open market quote or bid. When feasible, services will be obtained from SCDC using their printing form. If printing purchase cannot be obtained from SCDC, Contract, acquisition must be made in accordance with the South Carolina Governmental Printing Services manual. This manual can be found at

<http://cio.state.sc.us/itmo/pubs/prtmanu5.doc>

**Section 1-11-425.** Cost information to be included in publications; exceptions.

All agencies using appropriated funds shall print on the last page of all bound publications the following information:

- 1) total printing cost,
- 2) total number of documents printed, and
- 3) cost per unit.

Agency publications which are produced for resale are also exempt from this requirement.

**8. VENDOR COMPLAINTS/ RESOLUTION BY PROTEST/ CONTRACT AND BREACH OF CONTRACT REMEDIES/ AUTHORITY TO DEBAR OR SUSPEND:**

A. All **Complaints** against vendors for purchases of goods or services will be documented by submission of Complaint DDSN- Purchase Complaint Form. A copy of the Complaint form will be sent to the Director of Procurement Services and placed in the contract file and Regional Vendor Complaint file. All complaint forms must be signed by the regional purchasing official or a higher authority that is authorized to act in the absence of the designated purchasing official. The regional purchasing official will make a valiant effort to resolve a dispute or complaint. At least two phone calls and one requested meeting. If the procurement official feels there is no solution, he will request assistance from the Director of Procurement.

**B. Resolution by Protest (11-35-4210):** against the department by vendors shall be dealt with in accordance with the State Procurement Code, Authority to Resolve Protested Solicitations and Awards

1. Any prospective bidder, offeror, contractor or subcontractor who feels they have been aggrieved in connection with an award shall lodge their protest in **writing within (10) days of award statement to the appropriate Chief Procurement Officer.**
2. **Protest Bond (11-35-4215):** The agency may request that the appropriate Chief Procurement Officer require any bidder or offeror who files an action protesting the intended award or award of a contract solicited under Article 5 of the code and valued at

one million dollars or more to post with the appropriate Chief Procurement Officer a bond or irrevocable letter of credit payable to the State of South Carolina in an amount equal to one percent of the total potential value of the contract as determined by the Chief Procurement Officer.

**C. Contract or Breach of Contract Controversies (11-35-4230):** This section primarily applies to a subcontractor when controversies between the State, the contractor or the subcontractor arise by virtue of a contract between the parties by which it is claimed or believed that there is a breach of contract, mistake, misrepresentation, or other cause for contract modification or recession. The procedures set forth in this section or the exclusive means of resolving such controversies for contracts solicited or awarded under the provisions of the S.C. Procurement Code.

**D. Debarment or Suspension:** No DDSN official or other employee is authorized to debar or suspend any person or firm from consideration for award of contracts. This authority is vested in the State's appropriate chief procurement officer.

**9. CHANGES TO PURCHASE ORDERS:** The primary function of the change order is to modify the original purchase order when agreed upon between the regional purchasing department and the vendor. Care will be taken when applying to bids that no change order will constitute an unfair act against vendors or is in violation of procurement ethics.

**A. TYPE OF CHANGES:**

A change is made to a purchase order for one or more of the following reasons:

- 1. Agency Accounting Information** - for DDSN distribution only
- 2. Deletion of an Item** - any portion of an item or the total deletion of the purchase order
- 3. Quantity Increase** - a change order will only be necessary when the increased quantity will represent an extended value change of 10%.

4. **Unit of Measure** - packaging received is not the same as purchase order. Change should not effect the fact that vendor is still low bidder.
5. **Description or Specification Changes** - Modification to specifications are description required for clarification.
6. **Unit Price/Total Price Change** - a change order will be issued when either of the following conditions exists:
7. **Quotation and estimates** - a change order is required when the vendors invoice exceeds the original quoted purchase order price by 10%.

**NOTE:** A purchase order is only redistributed when the vendor changes.

## **10. GENERAL SUPPLY PROCEDURES:**

A. When supplies, equipment and services related thereto are needed to meet the user needs a DDSN Form No. 246, Request for Purchase must be completed.

B. Receiving, storage and distribution procedures at each regional center and the central office may vary somewhat due to differences in staff size, storage space limitations, distribution methods, geographical location, physical plant characteristics and other cost effectiveness considerations. However, the following general procedures and practices represent minimum procedural requirements of the department that must be met by every division.

1. Written standard operating procedures (SOP's) shall be maintained to guide supply personnel who receive, store and distribute goods.
2. SOP's must include detailed instructions on the following subjects:

- a) Comparison of merchandise received with identity and quantity information on packing slips and with items ordered as shown on the receiving copy of a purchase order or other receiving file document.
- b) Inspection for damaged items or items of lower quality than specified.
- c) Documentation of delivery to or pick up of goods by authorized personnel of the using activity. Authority to receipt for goods must be delegated in written form by the appropriate program administrator.
- d) Procedures for decaling fixed asset items, both moveable and installed, to insure proper accountability is maintained through the DDSN Fixed Assets System (FAS).
- e) Guidance on receiving for contractual services performed.
- f) Procurement personnel are not authorized to receipt for goods or services, except under emergency circumstances. At the Central Office, this prohibition applies only to nonexpendable property; the property clerk may procure and receipt for expendable supplies. He is authorized to receipt for equipment procured by the Central Office Procurement Officials.

**11. ACCEPTABLE SHIPPING TERMS:** The shipping terms listed below are acceptable for use when placing an order with a vendor. The term of choice for DDSN is: DEST/FRT/PREPAID. Those marked with \* **must** have approval from the Director of Procurement Services, or his designee before the purchase order is issued to the vendor.

**DESTINATION, FREIGHT PREPAID** - The seller pays and bears freight charges.

\* **DESTINATION, FREIGHT PREPAID AND CHARGED BACK** - The seller pays the freight and adds it back to invoice for payment.

\* **DESTINATION, FREIGHT COLLECT AND ALLOWED** - DDSN pays freight charges and deducts the amount of freight from vendors invoice.

\* **DESTINATION, FREIGHT COLLECT** - DDSN pays and bears all freight charges.

\* **F.O.B. ORIGIN** - should not be used unless it is the only method for acquiring merchandise. This term means that ownership transfers at the origination point of the shipment.



## CHAPTER 5. CONSTRUCTION, RENOVATION AND REPAIR

1. **GENERAL:** This chapter establishes departmental policies relative to the procurement of architectural, construction, renovation, maintenance, and repair of DDSN facilities. The procurement certification limits for construction is as follows:

A. Construction Contract Award - \$250,000.00 per commitment

B. Construction Contract Change Order - \$250,000.00 per change order

C. Architect/Engineering Contract - \$25,000.00 per amendment

2. **AUTHORITY.** The Director of Engineering and Planning or his/her superior in their absence shall be the designated authority for Department purchases. The Director of the Physical Plant or Facility Administrator shall be the authority to issue requisitions for regional purchases.

3. **MAINTENANCE/CENTERS.** All general maintenance work, including maintenance of mechanical, electrical, fire alarm systems, and fixed equipment, shall be done by the centers maintenance staff. For outsourcing of maintenance work the procurement thresholds should be used.

**Repair.** The preventive or breakdown maintenance of the Department's physical plant including buildings and their fixed equipment, utilities, roads, paving, walks, etc. All repair work required to correct damage to any facility resulting from fire or natural disasters shall be initiated in accordance with the agency Procurement Guidelines and authorization.

**Renovation.** A physical change to a building or its components, utilities, etc., designed to change the functioning characteristics. No renovation work shall be without an approval in writing from the Director of Engineering and Planning. Requests for desired renovation, if approved by the Facility Administrator or District Director, should be submitted, on a Form in writing (Form EA-100), to the Office of The Director of Engineering and Planning fully

describing the reasons for the proposed renovation as also the work involved. Approval or disapproval shall be provided in writing within (30) calendar days from the date of receipt of the request. Request for capital improvement renovation approvals shall be submitted by the Facility Administrator or District Director, on an annual basis by the preceding date of April 1 for incorporation into the Department's Annual Permanent Improvement Plan. All renovation work, done by contract, shall be in accordance with the agency Procurement Guidelines and authorization.

**Construction.** An addition to an existing facility or building. All construction work shall be initiated by the Division of Engineering and Planning, after approval of the annual PIP. Proposals for capital improvement construction for the fiscal year shall be submitted by the Facility Administrator or District Director on an annual basis by the preceding date of April 1 for incorporation into the Department's Annual Permanent Improvement Plan and the Five Year Construction Program. Procurement of construction services by contract shall be in accordance with the agency Procurement Guidelines and authorization.

**Architectural/Engineering/Interior Design/Land Surveying Consultant Services Procurement.** Only the Engineering and Planning Division has authority to procure Architectural/Engineering/Design/Land Surveying Services. The Division of Engineering and Planning shall provide the clerical and procedural support for the advertising for, development of short list, and interviewing of consultants by the interview committee. The engineering division will assist with the presentation of the selection to the Commission and approval by the State Engineer.

**Demolition.** All demolition work shall be initiated by the Director of Engineering and Planning. Requests for desired demolition, if approved by the Facility Director or District Director, shall be submitted on an annual basis by the preceding date of April 1, for incorporation into the department's annual permanent improvement plan. The regional center shall provide a written statement requesting the demolition providing justification and photographs identifying the condition of the structure to be demolished.

- A. If approved, the request for permission to demolish will be processed by the Director of Engineering and Planning through the State Engineer and the Budget and Control Board. On receipt of approval, the Director of Engineering and Planning will advise the Regional Administrators of Services Support in writing and proceed with the process of contracting for the demolition.
- B. A contract for the demolition shall be awarded in accordance with the agency Procurement Guidelines and authorization.

**Surplus Property.** All sale and disposal of surplus equipment or materials shall be in accordance with Chapter 9 of this manual. Exceptions may be surplus material and equipment resulting from a demolition contract whose terms transfer ownership of the property to the contractor.

4. **MAINTENANCE/DSN BOARDS.** Maintenance may be done by outside contract under one or more of the following conditions:

- A. The facility requiring maintenance is located more than 20 miles from the center.
- B. The urgency of the maintenance is such that the center staff cannot complete it in an acceptable time. (Written documentation justifying such action is required).
- C. The type work is performed so infrequently that it is impractical to maintain an adequate staff. Examples include:
  - Vinyl wall covering, tile and carpet installation.
  - Asphalt and concrete paving work.
  - Elevators.
  - Servicing of food service and laundry equipment.
  - Servicing of central monitoring systems.

- Other type of work requiring technical skills or certifications not held by maintenance staff.

5. **DEFINITIONS:** For the purpose of this procurement manual, the following are definitions of words or terms used throughout this manual as they apply to construction, repair and renovation.

**A. Consultant Services** are services of architectural, engineering, interior design, land surveying, construction material testing, construction managing or other such services involving the furnishing of labor and time resulting in plans, specifications, reports and other technical documents.

**B. Director of Engineering and Planning** is the Director of the Department's Division of Engineering and Planning at the Central Office.

**C. Director of Physical Plant** is the designated person heading up the Physical Plant Maintenance Division for the region and answering directly to the Regional Administrator of Services Support.

**D. Emergency** is an occurrence of an event that cannot be anticipated and the lack of immediate of which may be a risk to the life, safety and well-being to consumers, staff or loss of property.

**E. Materials Management Officer** is the Director of the Office of Materials Management, Division of General Services, South Carolina Budget and Control Board as defined in the South Carolina Consolidated Procurement Code.

**F. Procurement** is the process of acquiring materials and/or services from vendors, including the state government agencies.

**G. Services** means the furnishing of labor, time or effort by a contractor required to deliver a specific end product such as maintenance, repair, renovation or construction of a building, its components, etc.

**H. Sole Source** refers to the exclusive vendor of proprietary materials and/or services that cannot be provided by any other vendors. Sole Source can also result from proprietary rights of vendors on systems and utilities that would prohibit competitive solicitations.

**I. State Engineer** is the person holding the position as the head of the State Engineer's Office, Division of General Services, South Carolina Budget and Control Board as defined in the S.C. Consolidated Procurement Code.

**6. MATERIALS PROCUREMENT:** All procurements of materials, parts, tools, etc., required for the maintenance and repair of buildings or their components (including mechanical, plumbing or electrical) shall be done in accordance with the regulations set forth in the following paragraphs:

**A. Authority.** The Director of the Physical Plant or the Chief Regional Procurement Officer shall be the authority to issue requisitions for such purchases. The Director of Engineering and Planning or his superior in his absence, shall be the designated authority for the Departmental purchases.

**B. Direct Procurement.** All material or parts to be purchased shall be identified on the Request for Purchase using generic and technical data with the names of three or more manufacturers whose product is acceptable, if applicable. All Requests for Purchase for material required for maintenance and repair, shall be properly filled out identifying:

- Account number (where the funds are available for the purchase).
- Quantity.
- Generic and technical description.

- Listing of 'equal' manufacturers, if applicable.
- Person or persons authorized to make the "or equal" determination, if applicable.
- Guarantees, as required.
- Date needed.
- Date purchase order issued.
- Signature of authorizing person.

**C. Processing.** The completed Request for Purchase shall be delivered to the Regional Purchasing Official for processing. Requests for Purchase, at central office, shall be delivered to the Director, Procurement Services.

7. **REPAIR SERVICE PROCUREMENT:** Repair services can be procured by contractual agreements with contractors only if they meet the criteria outlined under the agency Procurement Guidelines and authorization.

**A. Contract Forms.** All repair service contracts shall be executed on the Standard AIA Form "Agreement Between Owner and Contractor" (1987 Edition) in triplicate. Contracts for small procurements (under \$25,000) may be executed on Form EP-104 (Standard Form of Agreement) in triplicate.

**B. Bids and Award.** Competitive bids shall be requested and received on plans and/or specifications with all criteria being equal and the bid amount being the only criteria for award of contract. Contract shall be awarded to the successful low bidder, if funds are available.

**C. Limitations.** Repair service contracts shall be processed as per the following criteria:

8. **RENOVATION SERVICE PROCUREMENT:** Renovation services can be procured by contractual agreements if they meet the criteria outlined under the agency Procurement Guidelines and authorization.

**A. Contract Forms.** All renovation contracts shall be executed on the Standard AIA Form "Agreement Between Owner and Contractor" (1987 Edition) in triplicate. Contracts for small renovation procurements (under \$25,000) may be executed on "Standard Form of Agreement" (Form EP-104) in triplicate.

**B. Bids and Award.** Competitive bids shall be requested and received on plans and/or specifications with all criteria being equal and the bid amount being the only criteria for award of contract. Contract shall be awarded to the successful low bidder, if funds are available.

**C. Limitations.** Renovation service contracts shall be processed as per guidelines stated under Section 3, Number 2.

9. **CONSTRUCTION SERVICE PROCUREMENT:** Construction services can be procured by contractual agreements if they meet the criteria outlined under the agency Procurement Guidelines and authorization.

10. **PRE-QUALIFICATION OF CONSTRUCTIONS BIDDERS:** The State Engineer's Office shall develop a procedure and list of criteria for pre-qualifying construction bidders. A governmental agency may use the pre-qualification process only for projects where the construction involved in unique nature or over ten million dollars in value as determined by and subject to the approval of the State Engineer's Office.

**A. Contract Form.** All construction service contracts shall be executed on the Standard AIA Form "Agreement Between Owner and Contractor" (1987 Edition) in triplicate. Contracts for small renovation procurements (under \$25,000) may be executed on Form EP-104 (Standard Form of Agreement) in triplicate.

**B. Bids and Award.** Competitive bids shall be requested and received on plans and/or specifications with all criteria being equal and the bid amount being the only criteria for award of the contract. Contract shall be awarded to the successful low bidder, if funds are available. Award statements will be made available for public viewing.

**C. Limitations.** Renovation service contracts shall be processed as per guidelines stated under Section 3, Number 2.

**11. EMERGENCY PROCUREMENT:** The procurement of material and/or services for the correction of an emergency immediately within the shortest duration of time from the occurrence of the emergency with as much benefit of competitive bidding as practicable. A contract may be awarded to make emergency procurements only when there exist an immediate threat to public health, welfare, critical economy or safety to prevent damage to property and provided that such emergency procurements shall be made with as much competition as is practicable under the circumstances.

On a quarterly basis, a record listing of all contracts and/or purchase orders made as an Emergency Procurement and the individual forms for each procurement will be submitted in duplicate to the Director, Procurement Services. The District Director of Physical Plant will retain these records for five (5) years.

**12. CONSULTANT SERVICES PROCUREMENT:** Architectural/Engineering and Construction or Renovation related services can be procured by contractual agreements with architectural, engineering, land surveying, construction material testing, construction managing or other vendors (Architectural/Engineering) as outlined under paragraph 1. Procedures for program development and levels of contact with consultants by Department personnel will be in accordance with Administrative Directive AD 79-01, Construction of New Facilities and Changes to Existing Facilities. All consultant services contracts shall be executed in triplicate as follows:



**A. Contracts with Architectural/Engineering Consulting Firms-Maximum Fee:**

**\$25,000.** (1) The State Director, or the Associate State Director, Administration in his absence, is authorized to award contracts. Contracts shall be executed on the Standard AIA Form "Agreement Between Owner and Architect" (Latest Edition) modified, or on Form EP-124 "Standard Form of Agreement."

1. Contracts may be awarded on a lump sum basis or on an itemized hourly rate, expense basis, etc.
2. Contracts may also be awarded for indefinite delivery of services for projects to be identified at a later date.
3. The Director of Engineering and Planning shall request proposals to provide services from appropriate consultants selected on the basis of their location with respect to the job site, previous experience on similar projects, size of firm to size of job, available inspection services and other criteria pertinent to the selection.
4. A tentative contract and proposal of the selected firm shall be submitted along with the form SE-230 "Request for Approval of Selection of Architectural or Engineering Firm Under Small Projects Procedure" shall be submitted by the Director of Engineering and Planning to the Office of the State Engineer for approval.

**B. Contracts with Architectural/Engineering/Consulting Firms-Fees Over \$25,000:**

The State Director, or the Associate State Director, Administration in his absence, is authorized to award contracts. Contracts shall be executed on the Standard AIA Form "Agreement Between Owner and Architect" (Latest Edition) modified.

1. The Division of Engineering and Planning shall advertise in the "South Carolina Business Opportunities" the "Invitation for Solicitation for Architectural/Engineering/Design Specialty Services". The invitation will

include a brief description of the project for which the services are sought and will delineate the items to be submitted by the interested firm:

- a) Brief resume of the company identifying names of principals, number of staff by discipline or function.
  - b) List of projects under contract with the state government in the immediate past two years identifying agencies, name of projects, estimated or actual construction costs.
  - c) List of all projects currently under contract identifying owner, project name, estimated or actual construction cost, phase of design or construction and if under construction; the percent completed figure.
2. Solicitations shall be tabulated and evaluated by the Architect/Engineer Selection Committee of the DDSN Commission, including certain staff members, and a list of at least five (5) firms to be interviewed by the committee shall be prepared.
  3. The selected firms will be interviewed by the "Architect/Engineer Selection Committee" of the Commission and a priority order listing of the firms shall be presented to the State Director and Commission for approval.
  4. The Director of Engineering and Planning shall submit to the State Engineer a tentative contract with the firm selected as the top choice along with:
    - a) Form SE-220 "Professional Services Selection Approval Request";
    - b) A letter from the Selection Committee listing the names of all persons or firms that responded to the advertisement, including a list of the committee's reasons for selecting those to be interviewed;
    - c) Form SE-217 "Agency Selection Committee Summary" and Forms SE-215 "Architect- Engineer Evaluation" form each committee member;

d) A letter justifying any negotiated fee in excess of the OSE recommended basic fee.

5. Contract shall be awarded to the firm selected by the Commission and approved by the State Engineer or the South Carolina Budget and Control Board.

13. **INDEFINITE DELIVERY CONTRACTS FOR CONST. ITEMS, ARCHITECTURAL ENGINEERING AND LAND SURVEYING SERVICES:**

**A. Indefinite delivery contracts** may be awarded on an as needed basis for construction services pursuant to the procedures set forth in Section 11-35-3020 and for architectural-engineering and land surveying services pursuant to Section 11-35-3220.

**1. Construction services.** When construction services contracts are awarded, each contract shall be limited to a total expenditure of \$750,000.00 for a two year period with individual project expenditures not to exceed \$150,000.00

**2. Architectural-engineering and Land Surveying Services.** When architectural-engineering and land surveying services contracts are awarded, each contract shall be limited to a total expenditure of \$300,000.00 for a two year period with individual project expenditures not to exceed \$100,000.00.

**B. Small Indefinite Delivery Contracts.** Small indefinite delivery contracts for architectural-engineering and land surveying services may be procured as provided in Section 11-35-3230. A contract established under this section shall be subject to and included in the limitations for individual and total contract amounts provided in Section 11-35-3230, and any regulations promulgated thereunder.

**14. GRIEVANCE AND COMPLAINT PROCEDURES:**

- A.** All formal written complaints must be filed with the appropriate Chief Procurement Officer, the State Engineer in this case. The agency may attempt to settle the matter before a hearing is conducted but the vendor must file complaints with the Chief Procurement Officer. In his appeal, the bidder or contractor shall clearly state the items in contention and his reasons for disagreement with the decision of the Director of Engineering and Planning.
- B.** Upon receipt of the appeal, the Associate State Director, Administration shall arrange within fifteen (15) calendar days a meeting with the bidder or contractor and the Director of Engineering and Planning to resolve the disagreement. The Special Assistant to the State Director shall advise the bidder or contractor, in writing, of his decision within ten (10) calendar days. This decision shall constitute the Department's final position on the matter.
- C.** The bidder or contractor may carry his grievance further by appealing the Department's decision to the Office of the State Engineer, in writing, within ten (10) calendar days.
- D.** If after the hearing with the State Engineer, a decision not acceptable to either party is achieved, a request in writing may be made to the Office of the State Engineer within ten (10) calendar days to request a hearing with the State's Procurement Review Panel appealing the State Engineer's decision.

## CHAPTER 6. REAL PROPERTY

1. **GENERAL:** This chapter outlines the procedures concerning Departmental transactions involving interests in real property. For use in this chapter, real property refers to land and its attachments which are fixed, permanent and immovable. Interests in real property may consist of full ownership, joint ownership, right of possession for a designated period, and various other rights running with the land such as easements or right of ways.
2. **ADMINISTRATION:** The Associate State Director, Administration is responsible for coordinating and carrying-out the provisions of this chapter.
3. **REAL PROPERTY ACQUISITION:**
  - A. **General.** Upon a declaration of need by the South Carolina Department of Disabilities and Special Needs Commission (SCDDSN) that the Department requires additional facilities to carry out its operations, the Associate State Director, Administration will initiate a search for suitable property. Available property will be judged as to its merits based upon approved guidelines established for the proposed use and the needs of development.
  - B. **Commission Approval.** The Associate State Director, Administration shall contact the Chairman of the Physical Facilities Committee of the SCDDSN to arrange for a site review by the Commission. Upon approval by the Physical Facilities Committee, the Associate State Director, Administration shall prepare a packet of information to submit to the SCDDSN for approval for purchase. Information to be submitted to the Commission should include; Conditions of Sale, Evaluation by the Department's Director of Engineering & Planning.
  - C. **Approval of Funds.** Upon approval of the proposal, the Director of Engineering and Planning will request the Director Budgeting Systems to prepare necessary paperwork for submittal to the Budget and Control Board for approval of a "Permanent

Improvement Project”. Such submittal shall be in accordance with the guidelines for the State Budget & Control Board and its authorized subordinate divisions.

The Associate State Director, Administration is authorized to obtain any appraisals, surveys, environmental studies, cost estimates, or other data as may be required or requested in the application process.

The Director Budgeting Systems is authorized to correspond directly with any individual, section, or division, within the Department to accomplish the requirements of the application. Also, the Director Budgeting Systems is the contact person within the agency to the State Budget & Control Board.

- D. Contract of Sale.** At the direction of the Associate State Director, Administration, the Department’s General Counsel will contact the seller or the seller’s agent and enter into a Contract of Sale for the proposed site or facility consistent with previous oral or written understandings between the seller and the Department. However, such Contract of Sale must be contingent upon the approval of the SCDDSN and the State Budget & Control Board. Other unusual contingencies shall be directed by the Associate State Director, Administration.
- E. Certificate of Acceptance.** The Department’s General Counsel will coordinate with the State Budget & Control Board, Real Property Management, to obtain the required Certificate of Acceptance prior to closing on the purchase or receipt of any real estate.
- F. Local Counsel.** The Department’s General Counsel will obtain an offer from an attorney at law in the community where the site is located as to attorney’s fees and costs related to closing the sale of the property. Upon receiving an appropriate quote consistent with the fee structure generally applied to such services in that community, the General Counsel will seek approval of the State Attorney General to engage local counsel.

**G. Local Taxes.** The property must be free of taxes prior to closing. The Department will not accept any pro-share of the current year's tax liability.

**H. Filing Deed.** Upon receipt of the recorded deed, the General Counsel will forward a copy with a plat to the Real Property Manager, Division of General Services, State Budget & Control Board. The original deed and all allied papers and plats shall be maintained by the office of the Department's General Counsel. The General Counsel shall assist in the processing of the local counsel's bill for professional services

4. **LEASE ACQUISITION:** Based on the needs of the Department, the Associate State Director, Administration shall direct a search for the suitable property for lease. The Associate State Director, Administration shall direct the General Counsel to contact the owner or agent and enter into a lease agreement on the terms and conditions specified in the **Government Real Estate Lease** or as required by the Office of Property Management. Special terms and conditions such as duration, price renewals, and modification of permanent fixtures must be approved by the Associate State Director, Administration. The State Director shall sign the lease agreement, however, the agreement and allied papers will be maintained by the General Counsel, and will be periodically reviewed for renewal by the General Counsel. The Real property Manager will be notified of any renewals or terminations of agreements.

5. **DEPARTMENTAL RENTALS:** The Associate State Director, Administration is responsible for determining the availability of any lands or facilities belonging to the Department that may be surplus. Upon determination that a designated land or facility is surplus, the Associate State Director, Administration will notify the Real Property Manager, Division of General Services, State Budget & Control Board, of such surplus for possible use by other State Agencies.

A. If another state agency is interested in the land or facility, the Associate State Director, Administration will coordinate the rental agreement with the Real Property Manager and the Agency. The Department's General Counsel shall assist in development of any agreements and the execution thereof.

B. If no state agency is interested in the designated land or facility, And the Real Property Manager authorizes rental to the private sector, The Associate State Director, Administration initiate steps to advertise the availability and description of the surplus property to the general public for open and competitive bid.

C. Upon award of the rental agreement, the Associate State Director, Administration will notify the General Counsel to execute a rental agreement in accordance with the Office of Property Management. The rental agreement will not take effect until approved by the Office of Property Management, of the Budget & Control Board.

6. **OTHER PROPERTY RIGHTS:** The Associate State Director, Administration is responsible for negotiating, with the responsible parties, the granting of any easement or right-of-way. Upon the direction of the Associate State Director, Administration, the General Counsel will execute the grant in accordance with the terms of agreement and forward to the Real Property Manager, Division of General Services, State Budget & Control Board. The grant of easement shall not take effect until it is approved by the Budget & Control Board.



## CHAPTER 7. INFORMATION TECHNOLOGY

### 1. DEFINITIONS:

- A. Information Technology** means data processing, telecommunications and office systems technologies and services:
- B. Data processing** means the automated collection, storage, manipulation and retrieval of data including: central processing units for micro, mini and mainframe computers; related peripheral equipment such as terminals, document scanners, word processors, intelligent copiers, offline memory storage and printing systems, data transmission equipment; and related software such as operating systems, library and maintenance routines and applications programs.
- C. Telecommunications** means voice, data, message and video transmissions, and includes the transmission and switching facilities of public telecommunications systems, as well as operating and network software.
- D. Office systems technology** means office equipment such as typewriters, duplicating and photocopy machines, paper forms and records; microfilm and microfiche equipment and printing equipment and services.
- E. Services** mean the providing of consultant assistance for any aspect of information technology, systems, and networks.

### 2. AUTHORIZATION FOR PROCUREMENTS:

- A.** Requests for all Information Technology procurements will be submitted to the Director, Information Technology.

- B.** No Computer related equipment or services of any type will be purchased without the written approval of The Director, Information Technology.
- C.** Procurement levels will be done in accordance with the agency and procurement authorization guidelines.
- D.** Purchase orders for information technology procurements will be signed and issued by the Director, Procurement Services.

## CHAPTER 8. CONSULTANT SERVICES

1. **GENERAL:** This chapter outlines the requirements and procedures for procurement of consultant services for the department. The Director of Human Resources is the official in charge of procurement of consultant services. Requests for procurement of consultant services shall be forwarded to Central Office Human Resources Office for processing.
2. **DEFINITIONS:** For the purpose of this chapter, the following terms have the meanings as indicated:
  - A. **CONSULTANT:** An individual, partnership, corporation or any other established organization performing consulting services for or providing consulting advice to the department over whom the department has the right of control as to the result to be accomplished but not necessarily to the details and means by which that result is to be accomplished.
  - B. **PROFESSIONAL SERVICES CONSULTANT:** An individual or firm contracted to provide professional services to clients, (e.g., medical, dental, therapeutic, laboratory).
  - C. **MANAGEMENT CONSULTANT:** An individual or firm contracted to provide professional advisory or counseling services to or on the behalf of management.
  - D. **TRAINING CONSULTANT:** An individual or firm contracted to provide in-service training courses for agency employees.
  - E. **LEGAL CONSULTANT:** An individual or firm contracted to provide legal services.
  - F. **AUDIT CONSULTANT:** An individual or firm contracted to provide auditing services.

**G. ACCOUNTING CONSULTANT:** An individual or firm contracted to provide accounting services to the Department.

**H. ARCHITECT-ENGINEER CONSULTANT:** An individual or firm contracted to provide professional services associated with the practice of architecture and professional engineering.

**I. EMPLOYEE SERVICE:** An individual performing services directly for the department over whom the department has the right of control not only as to the result to be accomplished by the work but also as to the details and means by which that work is to be accomplished.

**J. EMPLOYMENT SERVICES:** An individual performing service directly for the department whose services are obtained through a private employment agency. The employee/employer relationship exists between the private employment agency and its employee. The department will contract with the private employment agency for the services of its employees. However, the department will have control and supervision over the specific services performed by the individual employees while they are on duty.

**K. INFORMATION RESOURCE MANAGEMENT:** An individual or firm providing consultant assistance for any aspect of information technology, systems and networks.

**3. ADMINISTRATIVE PROCEDURES:** The following administrative procedures concerning procurement of consultant services are established to ensure agency compliance with the rules and regulations of the State Consolidated Procurement Code.

**A.** Requests for consultants should be prepared by the individual who has a need for the services. Requests from regional centers shall be approved by the District Director/Facility Administrator **prior** to forwarding to the Central Office Human Resources Office for **final** approval. The South Carolina Department of Disabilities and Special

Needs form entitled "**REQUESTS FOR APPROVAL OF CONSULTANT(S)**," will provide the necessary information when requesting consultant approval.

- B.** Final approval authorization for consultants for the Department of Disabilities and Special Needs rests with the Director of Human Resources as the designated Consultant Procurement Official. A consultant contract may not begin until final approval from Director of Human Resources is obtained.

**4. CONSULTANT PROCEDURES:** The following paragraphs outline the procedures and the approval levels and dollar limits for each type consultant: For certification limits on Consultant Services.

Up to \$250,000.00. DDSN Central Office Director of Human Resources  
over \$250,000.00. State Procurement Office

- A. MANAGEMENT CONSULTANT:** Requests for the engagement of a Management Consultant Service should be submitted on the Request for Approval of Consultant(s) form to the Central Office Human Resources Office.
- B. PROFESSIONAL SERVICES CONSULTANT:** Professional Services are those services rendered to specific individual clients of the department. Types of services usually considered in this category include but are not limited to medical, dental, therapeutic, and laboratory services. Requests for Professional Consultants should be submitted to the Central Office Human Resources Office on the DDSN form entitled "Request for Approval of Consultant(s)." Required approval for expenditure levels are as listed below:
- C. TRAINING CONSULTANT:** Training consultants are those consultants engaged in providing in-service training to department employees. The appropriate request form for Training Consultants is DDSN form "Request for Approval of Consultant(s)."

- D. EMPLOYMENT SERVICES:** The appropriate request form for Employment Services Consultants is DDSN form "Request for Approval of Consultant(s)."
- E. LEGAL CONSULTANT:** Requests for consultants in the legal field shall be submitted on DDSN form "Request for Approval of Consultant(s)." The approval authority for Legal Consultants rests with the Attorney General for the State of South Carolina. No contract for the services of attorneys shall be awarded without the approval of the State Attorney General except where specific statutory authority is otherwise provided. Requests to the Attorney General will be prepared by the Department General Counsel.
- F. ACCOUNTING/AUDITING CONSULTANTS:** Requests for consultants to provide auditing/accounting services will be submitted on DDSN form "Request for Approval of Consultant(s)." The approval authority for auditing/accounting consultants rests with the South Carolina State Auditor's Office. No contract shall be awarded for auditing/accounting services without the approval of the State Auditor except as otherwise provided by statutory law. Requests to the State Auditor will be prepared by the Associate State Director, Administration.
- G. DATA PROCESSING CONSULTANT:** Requests for consultants in the Information Resource Management field shall be submitted on DDSN form "Request for Approval of Consultant(s)." All procurements of data processing consultant services must receive prior approval of the Office of Information Technology Management. Requests to the Information Technology Management Offices will be prepared by the Department Director, Information Technology.
- H. ARCHITECT-ENGINEER CONSULTANT:** The approval authority for Architect-Engineer services rests with the State Engineer. See Chapter 4 of this manual for specific procedures.

**I. APPROVAL EXCEPTION:** The Budget and Control Board, under Section 11-35-710 of the Consolidated Procurement Code has exempted the following types of consultants from the purchasing procedures outlined in the Consolidated Procurement Code.

- A. Attorneys, subject to approval by the Attorney General's Office
- B. Certified Public Accountants and Public Accountants engaged to perform financial and/or compliance audits, subject to approval by the State Auditor's Office, with actuarial audits and other accounting services to be procured under the terms of the Consolidated Procurement Code.
- C. Investment Counselors
- D. Hospital and Medical Clinic Services
- E. Medical Doctors
- F. Optometrists
- G. Dentists
- H. Registered Nurses
- I. Licensed Practical Nurses
- J. Psychiatrists
- K. Clergy
- L. Court Reporters
- M. Expert Witness Services

1. In order for the exemption to apply to the preceding categories (A) through (M), the individual or firm involved must be licensed to perform the specific professional services, must provide that specific service to the requesting governmental body, and the contractual relationship created by the individual or firm and the governmental body cannot be an employer/employee relationship

which would be governed by State Personnel Rules and Regulations; and on the condition that the consultants be considered independent contractors.

2. The above types of consultants **require approval** from the DDSN Director of Human Resources using the DDSN form Request for Approval of Consultant(s).
3. When applicable, the Request for Approval of Consultants form and/or the Personal or Consultant Services Contract must be completed and forwarded to Director of Human Resources for **final approval**.
4. Unless otherwise stated, the following requirements will be used to secure quotes/bids or proposals from consultants as required by the S.C. Consolidated Procurement Code.
  - a) Consultant contracts for services when the fee is under **\$2,500.00** do not require any quotes.
  - b) Consultant contracts for services where the fee is **\$2,500.00 to \$10,000.00** verbal solicitation of three written quotes.
  - c) Consultant contracts of **\$10,000.00 to \$50,000.00** require a written RFQ and advertised in SCBO and written responses.
  - d) Consultant contracts of greater than **\$50,000.00** require sealed bid procedures and services be advertised in SCBO.



## CHAPTER 9. PAYMENT AND DOCUMENTATION

1. **GENERAL:** The following general policies shall be adhered to in all financial operations of the department. The department will comply with all applicable provisions of the State Accounting and Reporting Systems.
  - A. **PAYMENT:** All goods and services purchased by the Department shall be processed through the Central Finance Office for payment.
  - B. **FUND AVAILABILITY:** It is the responsibility of each budgetary unit to determine that funds are available and to certify their availability through properly authorized signatures on each purchase request.
  - C. **FEDERALLY FUNDED PURCHASES:** Purchases made with federal funds are completed in accordance with the normal agency practices and procedures. All grant or contract requirements will be adhered to in addition to state requirements.
  - D. **TAXES:** The department pays South Carolina Sales Tax on all purchases.
  - E. **DOCUMENTATION:** It is the responsibility of each budgetary unit or higher authority within each region to retain and file the original of all contracts. The first payment on a contract should have a copy of the contract attached to the invoice when filed with the Central Finance Office for payment. Each additional payment invoice should show the contract number and the consecutive number of the payment. Invoices should reflect the purchase order number.
  - F. **SUBMISSION FOR PAYMENT:** Each original invoice submitted to Central Office Finance for payment must be accompanied by a completed DDSN Invoice Input Sheet. A copy of the purchase order must be attached for all payments for supplies and equipment.

2. **ACCOUNTS RECEIVABLE:** As related to Purchasing and Supply Sections. It is the responsibility of the Purchasing and Supply section to inform Accounting and Finance (written documentation) of all transactions which are related to Accounts Receivable.

A. **RETURN OF MERCHANDISE:** The regional centers Purchasing and Supply section will prepare a "Purchase Order Change Order" with an explanation as to why merchandise is being returned with instructions for appropriate action to be taken by vendor. Normally the vendor will replace merchandise, issue credit memo or issue a check for the cost of merchandise. A copy of the Change Order will be furnished to the regional center Finance and Accounting Section.

B. **RECEIPT OF VENDOR CHECK:** When a vendor check is expected for: Returned Merchandise, Vendor Rebate, Bid Contract Penalty, etc., the regional center Purchasing and Supply section will furnish the regional center Finance and Accounting section copies of the supporting documents along with a copy of "Receipt Transmittal Form" AOF-57.

C. **RETENTION OF PROCUREMENT RECORDS:** All procurements records will be maintained for a minimum of 2 years at the center. Then the General Records Retention schedule will be used for guidance.

## CHAPTER 10. SALE AND DISPOSAL OF SURPLUS PROPERTY

1. **GENERAL:** Surplus property is any item, other than real property, no longer needed by owning agency. The sale of department surplus property must be accomplished under the cognizance of the State Surplus Property Office, Division of General Services, and should be coordinated with the DDSN Director, Procurement Services or his designee. Upon receipt of "State of South Carolina Bid Invitation" from S.C. Surplus Property Office, the regional center Purchasing and Supply section will forward to the South Carolina Department of Disabilities and Special Needs, Accounting and Finance, Attn: FAS Accounts Receivable, P.O. Box 4706, Columbia, S.C. 29240 the following:

- A. "Receipt Transmittal Form AOF-57" Complete all sections except the amount column. The amount column will be completed by Accounting and Finance upon receipt of "Notice of Sale of State Property" from the Budget and Control Board, Office of Executive Director, Internal Operations - Finance.
- B. "State of South Carolina Bid Invitation" S.C. Surplus Property Office. Furnish the complete bid packet. If an addendum to the Bid Invitation is issued by the Surplus Property Office the regional center Purchasing and Supply section will forward a copy to Accounting and Finance.
- C. To be eligible for disposal as surplus property, the property must not be prohibited from such disposition by federal or state law or by prior argument with the source of acquisition.
- D. When the disposal of surplus property or trade-in of properties generates revenue in excess of \$500, and the properties being disposed of will be replaced with a like item; then the regional center must request that the revenue received from sale be refunded to the regional center. If this request is not made, revenue will be refunded to the general fund of the state.

## 2. **DISPOSAL PROCEDURES BY PROPERTY TYPE:**

- A. **VEHICLES:** Refer to "Disposal of State Owned Motor Vehicles," chapter 15, in your "Vehicle Management Manual" for procedures established by the Department of Motor Vehicle Management. The owning regional center's fixed assets property manager must be notified when vehicles are delivered to Surplus Property so that the records can be removed from the Fixed Asset System (FAS).
- B. **USDA COMMODITIES:** USDA surplus commodities will be disposed of according to instructions furnished by the Department of Education, Food Distribution and the DDSN Director, Procurement Services as dictated by the circumstances that generated the surplus.
- C. **OTHER EXPENDABLE AND NON-EXPENDABLE SUPPLIES AND EQUIPMENT:** All property in these categories shall be offered to the other DDSN Regional Centers for use before the State Surplus Property Office is notified. It is the receiving division's responsibility to arrange transportation. If no response is received within 15 days, the owning division should contact the State Surplus Property Office for disposal instructions.

Fixed assets being disposed of by State Surplus Property must be deleted from the FAS when property is removed from the regional center. When property is transferred between regional centers, the receiving regional center will be responsible for completing the documentation necessary to adjust FAS records.

3. **REPORT OF TRADE-IN SALES:** A quarterly report of trade-in sales must be submitted to the DDSN Director, Procurement Services within five working days following the end of each quarter. The report shall be submitted on MMO Form #107 (revised 5/82). See exhibit 1 at the end of this chapter. Only those items traded-in for a like item are to be reported. Items sold through Surplus Property, Division of General Services are not to be listed on MMO Form #107.

## CHAPTER 11. MINORITY BUSINESS ENTERPRISE (MBE) UTILIZATION

1. **GENERAL:** The agency supports the Governor's initiative to encourage doing business with certified minority firms.

Policies and procedures outlined in this chapter apply to procurements of General Supplies, Equipment and Services (Chapter 3); Construction, Renovation and Repair (Chapter 4); Real Property (Chapter 5); Information Technology (Chapter 6) and Consultant Services (Chapter 7).

2. **MINORITY BUSINESS UTILIZATION PLAN:** The department shall establish a Minority Business Enterprise Utilization Plan and shall encourage solicitations from and do business with certified minority firms involved in all phases of procurement actions performed as a part of the operation of the department.

3. **DEFINITIONS:**

**A. Certified Minority Firm** is a firm licensed to do business in South Carolina that has been certified as a minority firm by the Small and Minority Business Assistance Office (SMBAO) and so maintained on the updated listings in the "Business Profile of Minority Businesses in South Carolina", issue of the Division of Economic Development and Transportation, Office of the Governor.

**B. MBE Liaison Officer** is a directorate staff level person designated by the department to establish and implement a Minority Business Enterprise (MBE) Utilization Plan.

**C. MBE Coordinator** is an administrative staff person designated by the department to assist in the implementation of the MBE Utilization Plan.

**D. Small purchases/or procurements** are defined by expenditure limitation in the prior chapters of this manual in appropriate areas pertaining to the purchase or procurement planned.

4. **ORGANIZATION:** Acting on behalf of the State Director and the Associate State Director, Administration; the Director, Procurement Services is charged with the overall responsibility for the establishment and implementation of the MBE Utilization Plan. He is, therefore, designated as the MBE Liaison Officer for the Department. His authorized MBE coordinator designees for each type of procurement activity are as follows:

- Construction, Renovation and Repair - Director of Engineering and Planning
- Consultant Services - The Director Human Resource
- General Supplies, Equipment and Services - The Director of Procurement
- Information Technology-The Director of Information Resource Management
- Real Property-Director of Budgeting System

**A.** The MBE Utilization Plan and the related support activities stemming therefrom shall be established and directed by the MBE Liaison Officer after approval by the Associate State Director, Administration. The enforcement of the adherence to the plan including the related support activities shall be the responsibility of the coordinator listed above in their type of procurement activity.

**B.** In each region, the head procurement official will be the regional MBE coordinator. They also will be responsible to provide all the necessary documents for reporting quarterly minority procurements.

5. **CONSTRUCTION, RENOVATION AND REPAIR:** All procurements shall be in accordance with Chapter 4 of this procurement manual. Procurement officers shall maintain an updated copy of the "Business Profile of Minority Businesses in South Carolina" in their files. Respective procurement officers will ensure that one or more certified minority firms, listed in the specific procurement category are extended an Invitation to Bid on all work to be contracted for in the area of construction, renovation and repair. For procurements of less than \$2500.00 or emergency procurements, each procurement officer shall maintain an informal list of contractors to include certified minority firms in each procurement category. Contracts will be awarded on a rotation basis. Contractors, whether they be certified minority firms or not, shall be deleted off the bidders and informal list should their prices be found to be consistently higher and not competitive and reasonable or their work be found to be consistently lower than the desired quality. Contracts can be negotiated, within the limits authorized, with certified minority firms provided:

- A. A certified minority firm based in South Carolina is available to perform the specific service or contract.
- B. The firm is capable of providing labor and materials to achieve the desired quality.
- C. The price quoted by the firm is reasonable, fair and competitive and would result in no loss to the state.
- D. Solicitations on work involving two or more specialty subcontractors or trades in which certified minority firms are available, shall be requested as follows:
  - Proposal for the total work to be done.
  - Separate proposals from certified minority firms in each trade or specialty.
- E. The Procurement Officer shall award a single contract or multiple contracts based on the lowest cost for the total work to the department.

6. **GENERAL SUPPLIES, EQUIPMENT AND SERVICES:** Procurement in these categories shall be in accordance with the procedures set forth in Chapter 3 of this manual, none of which are intended to be in conflict with this paragraph.
- A. MBE Vendors.** Each DDSN Procurement Official shall maintain a current copy of "Business Profile of Minority Businesses in South Carolina" as published and updated by the Division of Economic Development and Transportation, Office of the Governor.
- B. Equal Opportunity.** Regional Purchasing Officials shall assure that the competitive procurement techniques described in Chapter 3 are applied so that certified MBE's are afforded an equal opportunity to respond to solicitations. Vendor lists by commodity class or type of service shall include the names of those certified MBE's registered to provide such commodities or services, and solicitations shall be rotated among all vendors.
- C. Records and Reporting.** Records shall be maintained to provide the information required for quarterly reports of direct purchasing activities involving MBE's. Regional Procurement Officials are required to submit reports to the Director, Procurement Services by the tenth workday following the last day of each quarter.
7. **PROCUREMENT OF CONSULTANT SERVICES:** Upon receipt of requests for consultant services, the qualified minority vendors list provided by the Division of General Services will be reviewed to determine if minority vendors are available in the specific area requested. If vendors are available, they will be afforded the opportunity to fully participate in the consultant procurement process as outlined in Chapter 6 of this manual.
8. **SMBAO REPORTING:** Within fifteen days after the end of each fiscal quarter, the regional MBE coordinator shall prepare and provide to the MBE Liaison Officer a report for all MBE procurements made within the reporting quarter. The report shall clearly identify, for the previous quarter, the following:



- Number of minority firms solicited.
- Number of minority bids received
- Dollar amount paid to minority firms.
- Number and dollar value of small purchases made from certified minority firms.

**A.** Within 20 days after the end of each fiscal quarter, the MBE Liaison Officer shall compile and submit a report to the SMBAO for all procurement activities of the department.

**B.** On or before July thirty-first (31st), the MBE Liaison Officer, with the approval of the Associate State Director, Administration shall submit an updated Minority Business Enterprise (MBE) Utilization Plan to the SMBAO for their approval.

9. **USE OF MINORITY SUBCONTRACTORS:** All invitations to bid, requests for proposals, or requests for quotations issued by the department shall include in "Instructions to Bidders" the following notice:

“A firm who subcontracts with a minority business enterprise (MBE) that is registered with the State of South Carolina is eligible for a state income tax credit of four percent (maximum of \$25,000 annually) of the amount paid to the minority subcontractor for work performed pursuant to a state contract.”

10. **CONTRACTS WITH OTHER GOVERNMENTAL AGENCIES:** In contracting with other governmental agencies, DDSN may set goals for subcontractors consistent with DDSN's MBE goals. Additionally, where a governmental agency already adheres to a qualified MBE utilization plan, DDSN may incorporate that agency's MBE participation as it pertains to DDSN's contract and DDSN may submit that information in its annual report.

11. **LETTER OF CREDIT:** Section 11-35-5250 identifies a letter of credit as a letter that states the dollar value and duration of, and any other contract information that may be used by the minority firm in negotiating lines of credit with lender institutions. The letter of credit is not a co-signature of loan by DDSN. It is simply a letter that acknowledges DDSN has a contractual relationship with a minority firm. Inquiries about Letters of Credit shall be referred to the SMBAO for any such programs they may have available.

12. **DIVIDING LARGER PROJECTS INTO SMALLER PROJECTS:** Where applicable, it is the intent of the Department of Disabilities and Special Needs to review projects and develop smaller contracts to allow MBE participation. Lots may be designated for negotiation with minority vendors under the following conditions: (1) Determination that the procurement can be made from a sole source certified minority. (2) The Agency determines that the criteria stated in the South Carolina Procurement Code, Section 11-35-5230 are met. Two of the criteria used in this determination are: (a) the availability of South Carolina based minority firms and, (b) the assurance that the price is fair and reasonable and competitive both to the State and the contractor and shall result in no loss to the State. Disabilities and Special Needs Procurement officers will review all requests for supplies and services, to include term contracts for medical supplies and equipment, pharmaceuticals, construction and renovation projects, and services for the possibility of dividing such contracts into smaller ones to allow for minority participation. If it is efficient to do so, the certified minority vendor's listing provided by the Office of Small and Minority Business will be reviewed by the procurement officer for possible vendors. Where feasible, and if competition is evident, minority vendors will be solely bid for the total contract and/or smaller component units.

13. **DESIGNATION AND NEGOTIATION PROCEDURES:** DDSN will make solicitations from certified South Carolina based minority businesses.

A. **Section 11-35-1540. Negotiation After Unsuccessful Competitive Sealed Bidding.**

When bids received pursuant to an invitation for bids under Section 11-35-1520, are unreasonable, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the appropriate fiscal officer, and it is determined

in writing by the chief procurement officer, the head of a purchasing agency, or the designee of either officer above the level of the procurement officer that time or other circumstances will not permit the delay required to reselect competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:

- Each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate.
- The negotiated price is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation.
- The negotiated price is the lowest negotiated price offered by any responsible and responsive offeror.

14. **SUBCONTRACTING PROCEDURES:** On occasions the use of sub-contractors are required; it is the intent to review these contracts for utilization of MBE participation. When it is found that there is certified South Carolina based minority firms who can supply the work and/or service contract, solicitation will be made to said firms. All permanent improvement projects are processed by the State Engineer's Office and DDSN will advise them of our commitment to participation in the MBE Program, and request that certified South Carolina based minorities be recognized in the bidding documents for all projects for the Department of Disabilities and Special Needs.

## CHAPTER 12. MISCELLANEOUS INVENTORIES

1. **GENERAL INFORMATION AND POLICY:** It is the department's policy to acquire and hold only that inventory of consumable commodities that is consonant with replenishment schedules plus minimum safety levels to counter delivery disruptions that would seriously affect support to users. Whenever significant dollar values of inventory are accumulated, the inventory shall be formally recorded as an asset of the department and necessary safeguards established to prevent unauthorized use or theft of items in the inventory. **Significant dollar values is defined as any inventory that has an accumulative value of \$5,000 or greater as of June 30 of each year.**

The following paragraphs set forth physical safeguard guidance and accounting and inventory control procedure that applies to inventories whose value is determined to be significant by the Associate State Director, Administration.

2. **PHYSICAL SAFEGUARDS:** As a minimum, inventories will be safeguarded as follows:
  - Supplies shall be stored in a structure adequate to protect them from fire, theft and undue deterioration from exposure to the elements or temperature extremes.
  - Only authorized personnel shall be allowed to enter a storage area.
  - Access doors shall be secured when the storage area is not in use or under the surveillance of authorized storekeepers.
  - Procedures shall identify by title those employees responsible for the security of any storage facility or area.
  - Keys to storage areas shall be issued and signed for on a hand receipt and filed in the office of the service director or higher authority. Lost keys shall be reported as missing property, and lock changes made at the discretion of and upon the request of the official responsible for the storage facility.

- A. For significant inventories at the region, the facility director shall insure that adequate physical safeguards are in effect and that written procedures for key control and access to storage areas by authorized personnel are established and maintained.

3. **FOOD SUPPLIES:** Food Supplies and other supplies necessary to operate a food service department are purchased and distributed weekly or bi-weekly through a prime vendor contract program. However, because of the relatively high dollar values encountered in storing food and the various configurations of storage facilities at each region, the following special rules apply to food inventories except for condiments.

- Inventories are not to exceed a 14 day requirement. Since the prime vendor will deliver twice per week and their delivery rate normally exceeds 98% there is no need to maintain an inventory greater than 14 days. Exceptions can be made when you are able to take advantage of special promotions.
- The coordinator of food and nutritional programs shall furnish a master listing with pricing of USDA products for the purpose of placing a value on year end USDA inventories.
- The Director, Procurement Services will make distribution of instruction for year end inventories. This instruction will be more in detail as how to count and record inventories.

4. **BUILDING MAINTENANCE AND REPAIR SUPPLIES:** Supplies in this category are not centrally stocked. They are procured or requisitioned by the regional purchasing official and stocked under the control and direction of the regional physical plant director.

- A. Except for cannibalized parts, all building maintenance and repair items shall be formally accounted for with respect to receipts, issues, balances on hand and value. Whenever formal records are required, record keeping and store keeping functions should not be performed by the same individual. A physical count of the quantity of

each line item shall be made at least annually and recorded on the inventory form approved by the Director, Procurement Services. Physical counts may be made at the end of the fiscal year or scheduled evenly throughout the fiscal year.

1. Transactions and physical inventories of each line item must be posted on a current basis to a stock record card or an approved automated system designed for inventory control.
2. Parts removed from used, nonrepairable higher assemblies or end items do not have to be formally accounted for nor included in physical inventories. However, they shall be tagged for future identification; i.e., "Push Button Switch for 1967 Model KDSS18 Dishwasher."
3. Appropriate supporting documents shall be filed to support all entries to line item records that affect on hand balances.
4. Stock records and supporting entry documents shall be retained for six years after the end of the federal fiscal year. Older records and documents shall be destroyed.

B. If, at the end of the fiscal year, supplies on hand in this category constitute a significant inventory, they shall be inventoried in compliance with the procedures set forth in the End-of-Year Inventory procedure issued in the closing months of the fiscal year.

5. **PHARMACEUTICAL SUPPLIES:** Pharmaceutical inventories shall be maintained and inventoried as directed in the instructions issued in the End-of-Year Inventory procedures issued in the closing months of the fiscal year.

A. The receipt of drugs shall be under the direction and control of the regional pharmacy director, who will coordinate all deliveries with the regional supply receiving office.

B. Drugs shall be stored within a secure area that is under the control of the regional pharmacy director.

C. Drugs shall be formally accounted for with respect to receipts, and inventory as follows:

1. **Receipts.** A record shall be maintained on all drugs received to reflect (as a minimum) the date received, purchase order number, vendor, quantity, unit pack, unit of issue, and unit acquisition cost.

2. **Issues.** Issues do not have to be recorded on the receipt record if this record is a manual record. However, drug issues shall be recorded on drug dispensing records as required by state and federal laws. They shall also be recorded on client records.

3. **Value.** The value of any quantity of a drug on hand shall be the current agency contract price or if not on contract, the price shall be determined by the average weighted unit cost of receipts that are still part of the current inventory of a first-in, first-out (FIFO) supply system.

4. **Record retention.** Pharmacy records shall be retained as required by law, but not less than six years after the end of the federal fiscal year. Records no longer required by law and over six years old shall be destroyed.

6. **END OF YEAR INVENTORY:** At the end of each fiscal year, drugs on hand in the pharmacy or other designated holding area(s) shall be inventoried in compliance with the End-of-Year Inventory procedures which are published in June of each year.

See other related documents:

1. Procurement Cardholders' Guide
2. Assets Manual
3. IT Plan Manual
4. Minority Business Plan